Nation's Restaurant News

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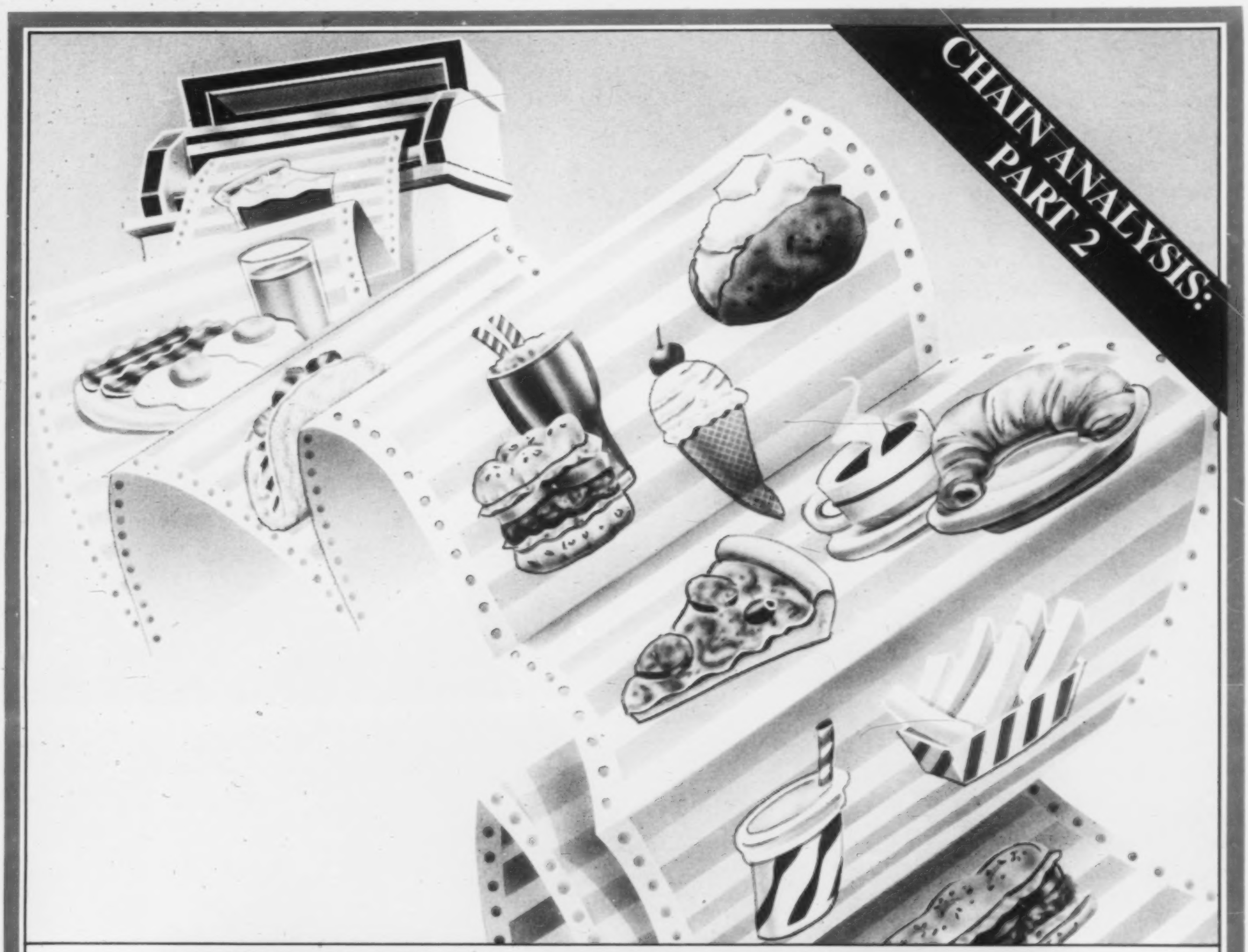

MENU ANALYSIS

IN THIS SECTION . . .

- **Checks Top $4 Mark**
- **Pretax Profit Margins Fall**
- **Menu Price Increases Slow**

What's happening to Dubrows?
Find out in the News Quiz on page F24.

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New, Expanded
VIEWPOINT
Section

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COVER STORY

NRN *MENU ANALYSIS: CHAINS FACE DILEMMA*

Average per-person checks at family restaurants and coffee shops topped the $4 mark for the first time in 1985 while burger chain average per-person checks headed for the $3 mark.

Those figures, based on comprehensive *Nation's Restaurant News* surveys of major chains in each category, raised fears that those traditional popularly priced segments could now be pricing themselves into real trouble. Consumer resistance is probably already appearing in the form of flat traffic counts.

One surprise is that burger chains have widened their annual average per-unit-sales lead over coffee shops to $952,000 compared with $927,000. Just a few years ago coffee shops held a substantial lead, but the burger chains' rapid moves into sacred coffee shop breakfast territory has apparently caused the change.

Food cost percentages dropped a bit in both segments, and labor costs rose. Pretax profit margins decreased for both, but burger chains still held a 9.6%-8.4% lead over coffee shops.

Menu price rises abated somewhat in both segments, coming in at under a 4% increase over last year's. Sales of the principal burger dipped slightly for burger chains while breakfast sales—still a staple of the coffee shop industry—stayed virtually even.

AVERAGE BOX SCORE ON CHAINS: 1982-85

	Burger Chains				Family Restaurants/Coffee Shops			
	1982	1983	1984	1985*	1982	1983	1984	1985*
Average Check Per Person	$2.45	$2.50	$2.70	$2.82	$3.75	$3.84	$3.85	$4.01
Average Annual Sales Per Unit	$728,000	$794,352	$877,656	$952,224	$743,000	$808,288	$874,640	$927,992
Average % Food Costs to Sales	34.6	34.4	33.3	32.5	32.9	32.2	31.5	31.1
Average % Payroll Costs to Sales	24.6	24.5	24.0	24.3	28.0	28.0	29.1	29.5
Average % Pretax Profit	9.0	9.4	10.4	9.6	8.2	8.5	9.0	8.4
Average % Menu Price Increase	5.1	3.8	4.2	3.7	6.1	5.5	4.7	3.9
Main Specialty Item	Burger	Burger	Burger	Burger	Breakfast	Breakfast	Breakfast	Breakfast
% of Sales of Specialty Item	11.7	12.0	10.5	10.1	28.2	28.4	30.8	31.0

Source: *NRN* research **NRN estimate*

Menu prices edge up nearly 4% in first half of '85

PRICE INDEX FOR FOOD AWAY FROM HOME

1980 to June 1985 (1967 = 100.0)

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1980 Index	256.10	258.30	260.90	263.00	264.60	266.60	267.80	269.50	271.40	273.10	275.30	277.70
1981 Index	280.90	284.70	286.10	288.20	289.30	290.60	292.40	293.70	294.80	296.20	297.20	297.70
1982 Index	299.80	301.20	302.40	303.60	304.80	305.90	307.60	308.70	309.80	310.70	311.40	312.60
1983 Index	314.50	315.20	316.50	318.00	318.60	319.30	319.80	321.00	322.20	323.90	324.80	325.50
1984 Index	327.20	328.50	329.80	330.90	332.60	333.10	334.40	335.50	335.80	336.60	337.70	339.20
1984/1983 % Change in Menu Price by Month	4.04	4.22	4.20	4.06	4.39	4.32	4.56	4.52	4.22	3.92	3.97	4.21
1984/1983 % Change in Menu Price Year to Date (Cumulative)	4.04	4.13	4.15	4.13	4.18	4.20	4.26	4.29	4.28	4.24	4.22	4.22
1985 Index	339.90	341.40	342.60	343.90	345.10	346.90						
1985/1984 % Change in Menu Price by Month	3.88	3.93	3.88	3.93	3.76	4.14						
1985/1984 % Change in Menu Price Year to Date (Cumulative)	3.88	3.90	3.90	3.90	3.88	3.92						

Source: *NRN* research

PRICE INDEX FOR WHOLESALE FOOD

1980 to June 1985 (1967 = 100.0)

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1980 Index	231.10	235.70	234.70	231.70	237.40	237.70	245.40	253.90	254.20	258.30	259.30	253.90
1981 Index	255.80	253.90	253.20	251.60	250.30	252.20	255.50	253.70	251.70	249.40	247.80	247.60
1982 Index	252.00	253.50	251.60	254.40	257.90	259.00	256.80	255.90	255.40	252.90	252.10	252.70
1983 Index	252.40	254.70	255.50	258.10	258.20	256.50	256.40	257.50	261.00	261.10	258.00	260.00
1984 Index	268.30	270.30	273.50	271.60	269.80	267.50	271.70	269.60	268.60	266.60	267.30	268.50
1984/1983 % Change in Wholesale Price by Month	6.30	6.12	7.04	5.23	4.49	4.29	5.97	4.70	2.91	2.11	3.60	3.27
1984/1983 % Change in Whisle Price Year to Date (Cumulative)	6.30	6.21	6.49	6.17	5.83	5.58	5.63	5.51	5.22	4.90	4.78	4.66
1985 Index	267.80	269.70	268.40	267.10	264.30	262.60						
1985/1984 % Change in Wholesale Price by Month	−0.19	−0.22	−1.66	−2.04	−1.83							
1985/1984 % Change in Whisle Price Year to Date (Cumulative)	−0.19	−0.20	−0.76	−0.99	−1.20	−1.30						

Source: *NRN* research

Rate is slightly slower than same 1984 period; wholesale prices drop

Menu price rises continued to hold fairly steady through the first six months of 1985, at just under 4% each month compared with prices the same month last year. But in June the average menu price rise edged up 4.14% over prices for the previous June, giving a cumulative menu price rise figure of 3.92% for the first six months compared with the prices the first six months of last year. *(See Editor's Corner, page 9.)*

This year's menu price average increases were running slightly below last year's 4.21% cumulative average for the year.

At the same time overall wholesale food prices dipped by a cumulative 1.30% for the first half of 1985 compared with the first half of last year. The figures for May and June were a respective 2.4% and 1.83% above the figures for the same months of last year.

Those sequences indicate that foodservice menu price increases are considerably outpacing those of supermarkets, which are more dependent on the wholesale food prices when one figures their pricing structures. Foodservice operators, on the other hand, have higher labor costs and feel they must pass along increased wages in the form of menu price increases—even if at a slightly slower rate than in 1984.

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Pretax profit margins fall at family restaurants

Coffee shop/family restaurant pretax profit margins have dipped from 9% last year to 8.4% in 1985, a comprehensive *Nation's Restaurant News* survey of leading chains indicates.

While food costs as a percentage of sales dropped from 31.5% to 31.1%, labor costs rose from 29.1% to 29.5% and advertising and promotion costs from 2.6% to 3%.

Overall, food costs decreased by 1.4% while labor costs and menu prices each rose 3.9%.

A dramatic surge occurred in the key 25 to 49 age group, which now constitutes 48.7% of coffee shop customers. Meanwhile, the under-25 group declined to 20.1%.

A major climb took place in over-$25,000 family incomes, now representing 56.1% of all coffee shop customers. That reflects economic conditions that encourage customers to trade down from other segments to coffee shops or to trade up from fast food.

INSIDE STATISTICS OF FAMILY RESTAURANTS/COFFEE SHOPS

	1983	1984	1985*
Cost Profile			
Menu Price Changes	5.5%	4.7%	3.9%
Food Cost**	1.5	4.6	– 1.4
Labor Cost Increases	3.6	3.4	3.9
Consumer Profile			
Age Distribution Under 25	24.1	22.3	20.1
25-49	46.6	45.9	48.7
50+	29.3	31.8	31.2
Income Distribution Under $8,000	7.6	6.2	4.1
$8,000-$14,999	24.1	15.0	12.2
$15,000-$24,999	40.2	30.1	27.6
$25,000+	28.1	48.7	56.1
Sales Percentage Breakdown Breakfast	23.6	25.7	26.8
Lunch	29.2	31.2	30.4
Dinner/Supper	33.7	30.1	31.1
Other	13.5	13.0	11.7

Source: *NRN* research *NRN estimate
**Due to wholesale price changes

OPERATING HIGHLIGHTS OF FAMILY RESTAURANTS/COFFEE SHOPS

	1984	1985*
Food Sales	100.0%	100.0%
Food	31.5	31.1
Supplies	3.2	3.3
Labor	29.1	29.5
Utilities	4.8	4.9
Advertising, Promotion	2.6	3.0
Administrative, General	6.5	6.1
Repairs, Maintenance	1.7	2.0
Rent, Property Tax, Insurance	7.9	8.0
Depreciation	2.8	2.9
Interest	0.9	0.8
Total	91.0%	91.6%
Pretax Profit	9.0%	8.4%

Source: *NRN* research *NRN estimate

Burger chain margins narrow as most costs rise

INSIDE STATISTICS OF BURGER CHAINS

	1983	1984	1985*
Cost Profile			
% Menu Price Changes	3.8%	4.2%	3.7%
% Food Cost**	1.5	4.6	– 1.6
Labor Cost Increases	3.6	3.4	3.9
Customer Profile			
Age Distribution Under 25	27.1	24.7	24.0
25-49	52.7	53.5	53.9
50 +	20.2	21.8	22.1
Income Distribution Under $8,000	7.9	4.7	3.2
$8,000-$14,999	22.8	20.1	20.0
$15,000-$24,999	33.0	35.7	37.0
$25,000+	36.3	39.5	39.8
Sales Percentage Breakdown Breakfast	12.1	14.0	15.5
Lunch	45.7	46.1	45.2
Dinner/Supper	37.4	37.5	37.1
Other	4.8	2.4	2.2

Source: *NRN* research *NRN estimate
**Due to wholesale price changes

OPERATING HIGHLIGHTS OF BURGER CHAINS

	1984	1985*
Food Sales	100.0%	100.0%
Food Cost	33.3	32.5
Supplies	4.0	4.0
Labor Cost, Benefits	24.0	24.3
Utilities	3.6	3.8
Advertising, Promotion	4.8	5.0
Administrative, General	6.0	6.3
Repairs, Maintenance	1.6	1.7
Rent, Property Tax, Insurance	8.0	8.3
Depreciation	2.8	2.9
Interest	1.5	1.7
Total	89.6%	90.4%
Pretax Profit	10.4%	9.6%

Source: *NRN* research *NRN estimate

Pretax profit margins of burger chains dipped from a 10.4% average last year to 9.6%, a comprehensive *Nation's Restaurant News* survey of leading burger chains indicates.

Spurred by lower wholesale food prices, food costs dropped from 33.3% of sales to 32.5%. But other costs rose, including labor, from 24% to 24.3%; utilities, from 3.6% to 3.8%; advertising and promotion, from 4.8% to 5%; and occupancy costs, 8% to 8.3%.

Overall, burger chain food costs dropped by 1.6% this year while labor costs jumped 3.9% and menu prices rose 3.7%.

The major change in income distribution of burger chain customers occurred in the middle bracket of $15,000 to $24,999 family incomes—now accounting for 37% of customers compared with 35.7% a year ago.

'Overall, burger chain food costs dropped by 1.6% this year while labor costs jumped 3.9% and menu prices rose 3.7%. Breakfast continues to grow, commanding 15.5% of average sales.'

In burger chains' meal occasion sales, breakfast continues to grow, with 15.5% of sales now derived from it. As an apparent result of breakfast's climb, lunch has dropped slightly to 45.2% of sales, dinner and supper, to 37.1% and "other occasions," to 2.2%.

Average weekly units sales at burger chains jumped from $16,878 to $18,312, or a new annual average of $950,000. Within the mix, burgers dropped slightly as a percentage of sales while chicken and sandwiches edged up. Beverages grabbed a slightly higher proportion of the mix.

SALES AT BURGER CHAINS

Menu Items	Average Weekly Dollar Sales per Restaurant 1984	1985*	Per Cent of Total Sales 1984	1985*	Average Number of Items Sold per Week 1984	1985*	Per Cent of Items Sold 1984	1985*	Average Menu Prices 1984	1985*
Principal Specialty Burger	$ 1,772	$ 1,851	10.5%	10.1%	1,181	1,194	7.3%	7.1%	$1.50	$1.55
Principal Specialty Burger with Cheese	1,350	1,447	8.0	7.9	818	851	5.1	5.1	1.65	1.70
Hamburger, All Other, Plain	1,553	1,666	9.2	9.1	1,350	1,388	8.4	8.2	1.15	1.20
Cheeseburger, All Other, Plain	1,199	1,282	7.1	7.0	922	950	5.7	5.6	1.30	1.35
Chicken	1,350	1,575	8.0	8.6	628	716	3.9	4.3	2.15	2.20
Fish Sandwich	421	384	2.5	2.1	301	265	1.9	1.6	1.40	1.45
Other Sandwiches	726	805	4.3	4.4	382	413	2.4	2.5	1.90	1.95
Combination Platter	759	770	4.5	4.2	292	285	1.8	1.7	2.60	2.70
French Fries	1,924	2,051	11.4	11.2	2,788	2,849	17.3	16.9	0.69	0.72
Carbonated Beverages	2,397	2,619	14.2	14.3	3,687	3,909	22.8	23.2	0.65	0.67
Milk	51	55	0.3	0.3	119	122	0.7	0.7	0.43	0.45
Coffee	422	494	2.5	2.7	938	988	5.8	5.9	0.45	0.50
Milkshakes	523	476	3.1	2.6	697	595	4.3	3.5	0.75	0.80
Desserts	338	348	2.0	1.9	520	497	3.2	3.0	0.65	0.70
Breakfast Items	2,009	2,361	11.9	12.9	1,435	1,663	8.9	9.9	1.40	1.42
Other Items	84	128	0.5	0.7	91	131	0.5	0.8	0.92	0.98
Totals	$16,878	$18,312	100.0%	100.0%	16,149	16,816	100.0%	100.0%	—	—

Source: *NRN* research *NRN estimate

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Breakfast holding strong at family restaurants

TOP SELLERS AT FAMILY RESTAURANTS AND COFFEE SHOPS

Menu Items	Average Weekly Dollars per Restaurant 1984	1985*	Per Cent of Total Sales 1984	1985*	Average Number of Items Sold per Week 1984	1985*	Per Cent of Items Sold 1984	1985*
Breakfast	$ 5,180	$ 5,533	30.8%	31.0%	2,257	2,326	18.5%	19.4%
Platters/Salads	2,338	2,516	13.9	14.1	837	866	6.9	7.2
Beverages	3,280	3,319	19.5	18.6	6,013	5,667	49.4	47.3
Sandwiches	2,541	2,712	15.1	15.2	1,338	1,360	11.0	11.4
Dinners	2,086	2,285	12.4	12.8	421	443	3.5	3.7
Desserts	672	696	4.0	3.9	584	580	4.8	4.8
Chili/Soup/Side Orders	723	785	4.3	4.4	723	748	5.9	6.2
Totals	$16,820	$17,846	100.0%	100.0%	12,173	11,990	100.0%	100.0%

Source: *NRN* research

**NRN* estimate

BREAKFAST: 31.0% OF 1985 SALES

Menu Items	Average Weekly Dollars per Restaurant 1984	1985*	Per Cent of Total Sales 1984	1985*	Average Number of Items Sold per Week 1984	1985*	Per Cent of Items Sold 1984	1985*	Average Menu Prices 1984	1985*
Eggs	$ 798	$ 840	15.4%	15.2%	371	382	16.4%	16.4%	$2.15	$2.20
Omelets	964	1,034	18.6	18.7	305	323	13.5	13.9	3.16	3.20
Baked Goods	290	321	5.6	5.8	382	401	17.0	17.2	0.76	0.80
Pancakes	465	498	9.0	9.0	236	243	10.5	10.5	1.97	2.05
Waffles	88	101	1.7	1.8	42	47	1.9	2.0	2.10	2.15
French Toast	129	132	2.5	2.4	60	60	2.7	2.6	2.15	2.20
Cereals	62	77	1.2	1.4	70	81	3.1	3.5	0.89	0.95
Other	166	166	3.2	3.0	157	138	6.7	5.9	1.10	1.20
Meat Breakfast	794	842	15.3	15.2	209	216	9.3	9.3	3.80	3.90
Combo Breakfast	1,424	1,522	27.5	27.5	425	435	18.9	18.7	3.35	3.50
Totals	$5,180	$5,533	100.0%	100.0%	2,257	2,326	100.0%	100.0%		

Source: *NRN* research

**NRN* estimate

PLATTERS/SALADS: 14.1% OF 1985 SALES

Menu Items	Average Weekly Dollars per Restaurant 1984	1985*	Per Cent of Total Sales 1984	1985*	Average Number of Items Sold per Week 1984	1985*	Per Cent of Items Sold 1984	1985*	Average Menu Prices 1984	1985*
Specialty Burger	$ 644	$ 677	27.5%	27.0%	225	232	26.9%	26.8%	$2.86	$2.92
Burger Platter	305	324	13.1	12.9	115	120	13.7	13.9	2.65	2.70
Fish Platter	237	263	10.1	10.4	91	94	10.9	10.8	2.60	2.80
Chicken Platter	194	220	8.4	8.8	67	72	8.0	8.3	2.90	3.05
Chili Platter	105	112	4.5	4.4	55	56	6.6	6.5	1.90	2.00
Diet Platter	366	390	15.6	15.5	120	122	14.3	14.1	3.05	3.20
Chef Salad	417	450	17.8	17.9	139	143	16.6	16.5	3.00	3.15
Other Platters	70	80	3.0	3.1	25	27	3.0	3.1	2.80	2.95
Totals	$2,338	$2,516	100.0%	100.0%	837	866	100.0%	100.0%		

Source: *NRN* research

**NRN* estimate

Despite mounting competition from burger chains, family restaurants are continuing to flex their muscles at breakfast, picking up a larger percentage of overall sales in the morning.

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Seafood sales show dramatic increase in 1985

DINNERS: 12.8% OF 1985 SALES

Menu Items	Average Weekly Dollars per Restaurant 1984	1985*	Per Cent of Total Sales 1984	1985*	Average Number of Items Sold per Week 1984	1985*	Per Cent of Items Sold 1984	1985*	Average Menu Prices 1984	1985*
Steaks	$ 406	$ 442	19.4%	19.3%	65	68	15.4%	15.3%	$6.25	$6.50
Chicken	416	461	20.0	20.2	90	95	21.4	21.4	4.62	4.85
Chopped Steak	153	165	7.4	7.2	36	38	8.6	8.6	4.25	4.35
Roast Beef, Turkey	307	322	14.7	14.1	62	62	14.7	14.0	4.95	5.20
Shrimp	242	264	11.5	11.6	44	46	10.4	10.4	5.50	5.75
Other Seafood	394	455	18.9	19.9	82	92	19.5	20.8	4.80	4.95
Other Dinners	168	176	8.1	7.7	42	42	10.0	9.5	4.00	4.20
Totals	$2,086	$2,285	100.0%	100.0%	421	443	100.0%	100.0%		

Source: *NRN* research **NRN* estimate

SANDWICHES: 152% OF 1985 SALES

Menu Items	Average Weekly Dollars per Restaurant 1984	1985*	Per Cent of Total Sales 1984	1985*	Average Number of Items Sold per Week 1984	1985*	Per Cent of Items Sold 1984	1985*	Average Menu Prices 1984	1985*
Specialty Burger	$ 512	$ 522	20.2%	19.2%	235	227	17.6%	16.7%	$2.18	$2.30
Plain Burger	409	428	16.1	15.8	273	276	20.4	20.3	1.50	1.55
Cheeseburger	340	365	13.4	13.5	200	203	14.9	15.0	1.70	1.80
Bacon/Lettuce/ Tomato	191	207	7.5	7.6	87	90	6.5	6.6	2.20	2.30
Grilled Cheese	153	163	6.0	6.0	93	93	7.0	6.8	1.65	1.75
Fish	245	279	9.6	10.3	114	124	8.5	9.1	2.15	2.25
Ham	156	163	6.1	6.0	68	68	5.1	5.0	2.30	2.40
Other Sandwiches	470	510	18.5	18.8	200	208	14.9	15.3	2.35	2.45
Frankfurters	65	75	2.6	2.8	68	11	5.1	5.2	0.95	1.05
Totals	$2,541	$2,712	100.0%	100.0%	1,338	1,360	100.0%	100.0%		

Source: *NRN* research **NRN* estimate

BEVERAGES: 18.6% OF 1985 SALES

Menu Items	Average Weekly Dollars per Restaurant 1984	1985*	Per Cent of Total Sales 1984	1985*	Average Number of Items Sold per Week 1984	1985*	Per Cent of Items Sold 1984	1985*	Average Menu Prices 1984	1985*
Coffee	$1,414	$1,468	43.1%	44.2%	2,828	2,669	47.0%	47.1%	$0.50	$0.55
Carbonated Drinks	860	826	26.3	24.9	1,438	1,271	23.9	22.4	0.60	0.65
Milk	328	328	10.0	9.9	596	596	9.9	10.5	0.55	0.55
Juices	321	332	9.8	10.0	458	474	7.6	8.4	0.70	0.70
Tea	108	116	3.3	3.5	216	211	3.6	3.7	0.50	0.55
Iced Tea	144	146	4.4	4.4	288	265	4.8	4.7	0.50	0.55
Hot Chocolate	59	60	1.8	1.8	111	107	1.9	1.9	0.53	0.56
Other Beverages	43	43	1.3	1.3	78	74	1.3	1.3	0.55	0.58
Totals	$3,280	$3,319	100.0%	100.0%	6,013	5,667	100.0%	100.0%		

Source: *NRN* research **NRN* estimate

Dinner sales as a percentage of overall sales have had a roller coaster ride in the past two years. After a dramatic increase in 1983, the category slipped slightly in 1984 but now shows signs of regaining lost ground.

FINANCIAL NEWS

NRN Index slips 2.4 to 126.4; losers whip gainers 3-1

NEW YORK — As the overall stock market performed poorly, the *Nation's Restaurant News* Food-Service Operators Index dropped 2.4 points in the week ended Aug. 9 to close at 126.4, the third consecutive weekly decline.

The Dow Jones Industrial Average closed at 1,320.79, a 32.26 loss in the week. Analysts said one reason was the fear by investors that the massive refunding of federal Treasury notes and bonds would cause interest rates to rise. Another was a technical factor related to stock-index futures contracts.

On *NRN*'s 116-issue list of food-service and related stocks, there were 73 price decliners and 26 gainers, with 17 unchanged in price. Thirty-nine issues traded at higher volumes than their previous 12-week averages. Seventy-seven traded at lower volumes.

Hungry Tiger was the leading percentage price gainer in the week, up 88¢ to close at $5.63, an 18.4% rise. W. R. Grace said that it planned to acquire the 40-unit chain for stock valued at $23 million *(See page 1)*.

A big percentage-price loser was Flakey Jake's, down $1.50 to close at $4.13, a 26.7% drop. The company said that it lost $3.8 million in the second quarter, ended June 19, compared with a $254,000 loss in the previous year. It also reported that because of the net loss, it was in noncompliance with certain terms of its bank loan agreement.

VOLUME TREND LEADERS

(Volume Trend Change, in %)

El Pollo Asa	O	197.3	Chili's Inc	M	114.4
Flakey Jakes	M	196.6	Hungry Tiger	M	94.3
Shoney's South	M	183.7	Jerrico Inc	M	93.8
Intl Dairy Queen	O	146.7	Hilton Hotels	N	85.5
Shoney's Inc	M	116.9	USACafes	M	83.7

TOP TEN GAINERS

(Weekly Price Change, in %)

Hungry Tiger	M	18.4	Dunkin Donuts	M	6.7
Shoney's South	M	11.6	TGI Friday's	N	6.4
Acapulco Rests	M	11.1	Cracker Barrel	M	5.9
Fast Food Oper	O	7.7	1 Potato 2	O	5.6
Lifestyle Rest	A	7.1	Arden Intl	O	5.6

TOP TEN LOSERS

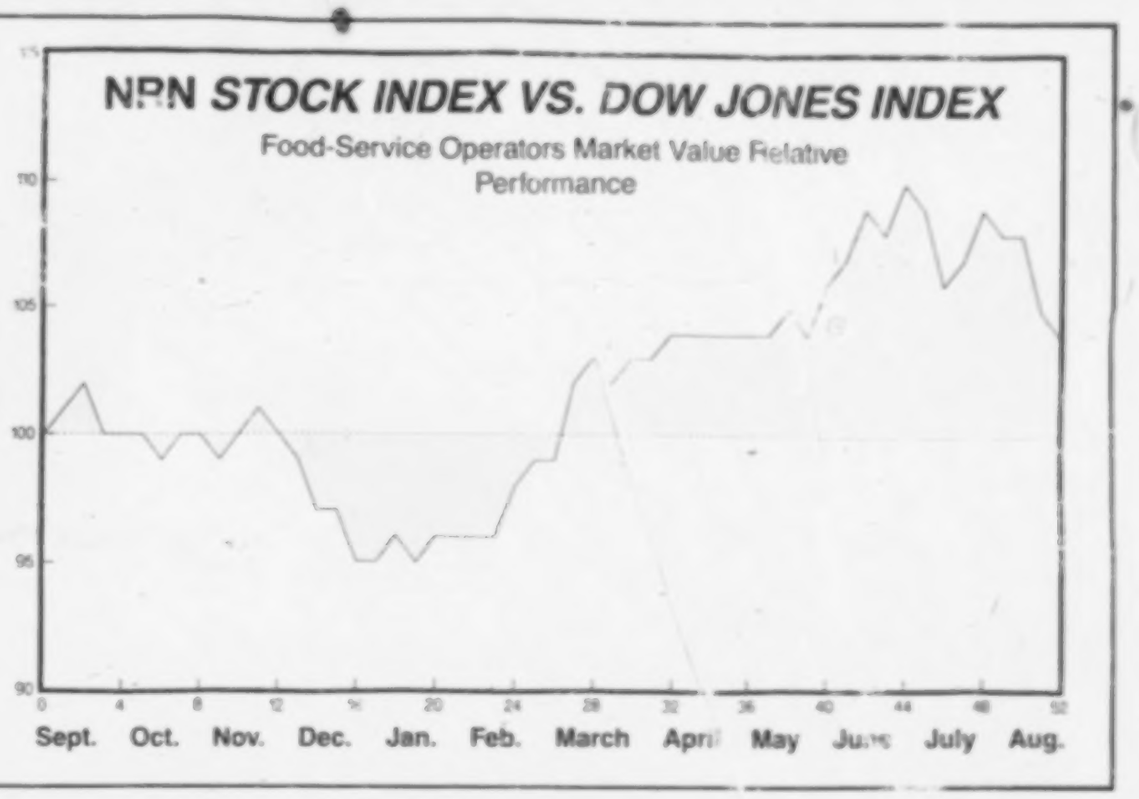
(Weekly Price Change, in %)

Peo Restaurants	M	- 33.3	Calibre Cp	O	- 16.7
Flakey Jakes	M	- 26.7	Kelly-Johnston	O	- 16.7
Fresher Cooker	O	- 25.0	Nathans	M	- 12.9
Nankin Express	O	- 21.4	Good Taco	O	- 12.5
El Pollo Asa	O	- 18.6	Capt Crab	M	- 11.1

Stock Market / Financial Update

Company and Market	8-09-85 Close	Weekly Price Change Amt	Weekly Price Change Pct	Weekly Price Range High	Weekly Price Range Low	52-Week Price Range High	52-Week Price Range Low	Volume Weekly Shares Traded Total	Volume Weekly Shares Traded % Out	Volume 12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Dividend Rate Amt.	Indicated Dividend Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Food-Service Operators																													
A&M Food Svcs M	7.00	.13	1.8	7.13	6.63	7.13	3.50	238	.67	.62	8.1	20.0	.00	.0	.....	6 mos.	06-85	9.3	22.4	.5	25.0	.14	16.7	17.2	22.9	.8	14.3	.22	15.8
Acapulco Rests M	5.00	.50	11.1	5.00	4.63	5.38	3.50	113	.46	.37	24.3	38.5	.00	.0	.....	6 mos.	04-85	10.4		.1	- 80.0	.04	- 80.0	19.9	114.0	.0	- 100.0	.01	- 92.3
Am Restaurants O	4.00	.13	- 3.0	4.25	4.00	5.75	2.38	109	.47	.27	74.1	80.0	.00	.0	.....	3 mos.	04-85	4.7	4.4	.0	- 100.0	(.01)	- 100.0	4.7	4.4	.0	- 100.0	(.01)	- 100.0
Assoc Hosts M	13.75	.50	- 3.5	14.13	13.50	17.13	10.75	2,405	5.43	3.41	59.2	21.8	.12	.9		9 mos.	06-85	22.8	- 5.0	.6	- 45.5	.12	- 47.8	68.2	- 4.1	2.0	- 33.3	.44	- 33.3
Benihana Natl M	18.88	- .75	- 3.8	19.75	18.63	21.75	12.38	1,165	4.01	5.41	- 25.9	17.6	.00	.0	.....	fiscal	03-85	27.3	228.9	1.3	85.7	.45	50.0	67.0	238.4	3.1	121.4	1.07	91.1
Bob Evans Farms M	22.00	- .75	- 3.3	22.25	21.50	23.50	17.00	530	.33	.78	- 57.7	19.8	.30	1.4	.....	fiscal	04-85	56.7	10.3	4.4	12.8	.27	12.5	227.7	12.9	18.1	12.4	1.11	13.3
Calibre Cp O	1.88	- .38	- 16.7	2.13	1.88	5.13	.03	23	.08	.49	- 83.7	NE	.00	.0	.....	6 mos.	01-85	3.6	2.9	(1.1)	NE	(.38)	NE	7.1	6.0	(1.8)	NE	(.60)	NE
Calny Food M	14.25	- .25	- 1.7	14.25	13.88	15.13	8.13	423	.94	2.93	- 67.9	21.0	.16	1.1	.....	3 mos.	05-85	13.6	13.3	.9	.0	.19	.0	13.6	13.3	.9	.0	.19	.0
Capt Crab M	1.50	- .19	- 11.1	1.63	1.44	2.88	1.31	1,673	1.09	.90	21.1	NE	.00	.0	.....	6 mos.	02-85	1.7	240.0	(.5)	NE	(.04)	NE	3.3	200.0	(1.1)	NE	(.08)	NE
Carrols Cp N	8.00	- .50	- 5.9	8.50	7.88	11.50	7.88	884	1.14	.65	75.4	11.3	.07	.9	.....	fiscal	05-85	37.1	18.9	.7	- 41.7	.09	- 25.0	146.3	20.2	5.5	19.6	.71	4.4
Chefs Intl O	.63	- .06	- 9.1	0.69	0.63	1.06	.38	833	.43	.50	- 14.0	NE	.00	.0	.....	3 mos.	04-85	5.3	- 11.7	.0	NE	.00	NE	5.3	- 11.7	.0	NE	.00	NE
Chi-Chi's M	11.50	.00	.0	11.63	11.25	17.63	9.38	4,640	1.72	4.34	- 60.4	19.8	.00	.0	.....	fiscal	04-85	56.5	38.5	3.5	- 18.6	.13	- 27.8	205.7	30.2	15.6	- 6.6	.58	- 12.1
Chili's Inc M	25.63	- 2.38	- 8.5	27.88	25.25	28.88	18.25	1,806	3.88	1.81	114.4	33.3	.00	.0	.....	9 mos.	03-85	17.3	66.3	.8	100.0	.17	112.5	48.3	57.3	2.7	125.0	.58	87.1
Churchs Fr Ch N	16.00	- .75	- 4.5	16.75	15.25	20.25	12.75	8,224	2.18	2.21	- 1.4	13.7	.44	2.8	.....	6 mos.	06-85	139.4	13.5	11.2	- 1.8	.30	3.4	255.7	12.5	19.1	7.9	.51	8.5
Collins Foods N	22.63	- .25	- 1.1	23.25	22.25	25.00	13.63	1,337	1.02	1.04	- 1.9	16.4	.16	.7	.....	fiscal	04-85	124.0	18.9	4.4	22.2	.33	22.2	468.6	19.1	18.3	18.8	1.38	16.9
Concept Dev M	11.25	- .88	- 7.2	12.25	10.75	16.75	5.75	817	1.58	4.36	- 63.8	NE	.00a	.0	.....	9 mos.	03-85	28.1	212.2	(1.2)	- 100.0	(.23)	- 100.0	30.2	9.4	(1.2)	- 100.0	(.23)	- 100.0
Consol Prdts M	3.63	- .13	- 3.3	3.75	3.50	5.38	3.50	131	.40	.51	- 21.6	11.0	.08	2.2	.....	6 mos.	03-85	18.6	- 4.6	.0	NC	(.02)	NC	33.8	- 3.4	.3	- 25.0	.08	- 20.0
Consul Restaurant M	3.38	- .38	- 10.0	3.63	3.38	9.50	3.00	573	1.26	2.74	- 54.0	NE	.00	.0	.....	fiscal	05-85	24.0	50.9	(11.5)	- 100.0	(2.50)	- 100.0	87.0	37.2	(15.2)	- 100.0	(3.32)	- 100.0
Cracker Barrel M	13.50	.75	5.9	13.75	12.75	23.50	11.75	150	.42	1.86	- 77.4	18.8	.14	1.0	.....	9 mos.	04-85	16.0	16.8	.3	- 40.0	.07	- 61.1	46.8	18.2	.9	- 35.7	.26	- 50.0
Cucos Inc O	4.75	.00	.0	5.25	4.75	5.75	2.75	78	.45	.27	66.7	33.9	.00	.0	.....	9 mos.	03-85	1.6	100.0	.1	.0	.04	33.3	4.8	108.7	.2	.0	.11	10.0
Diversifoods M	11.25	.00	.0	11.25	11.25	14.63	8.00	188	.06	3.36	- 98.2	27.4	.34	3.0	.....	3 mos.	03-85	128.2	2.0	1.3	- 76.8	.04	- 76.5	128.2	2.0	1.3	- 76.8	.04	- 76.5
DLites Of Amer M	10.13	- .13	- 1.2	10.38	9.88	15.50	9.00	1,077	2.12	3.00	- 29.3	77.9	.00	.0	.....	fiscal	03-85	4.0	185.7	.2	NC	.04	100.0	11.5	98.3	.5	150.0	.13	44.4
Dunkin Donuts M	24.00	1.50	6.7	24.13	22.25	25.38	14.84	2,570	3.59	2.26	58.8	17.8	.24	1.0	.....	6 mos.	04-85	.7	- 96.8	2.8	16.7	.38	15.2	24.7	- 41.3	5.4	14.9	.74	15.6
El Chico M	12.00	- .50	- 4.0	12.50	12.00	12.50	7.25	615	1.32	2.29	- 42.4	14.1	.00	.0		fiscal	05-85	27.7	43.5	1.2	33.3	.27	35.0	89.5	16.2	3.9	8.3	.85	6.3
El Pollo Asa O	4.38	- 1.00	- 18.6	5.13	4.38	6.34	1.84	2,503	9.90	3.33	197.3	NE	.00	.0	.....	fiscal	03-85	.7	250.0	.0	NE	.01	NE	2.5	212.5	(.5)	NE	(.26)	NE
El Torito Rest N	17.38	.13	.7	17.38	17.13	19.25	10.63	299	.27	1.01	- 73.3	16.1	.00	.0	.....	6 mos.	06-85	84.9	31.4	4.0	21.2	.35	20.7	150.3	22.1	6.2	26.5	.54	25.6
Famous Rest M	2.81	- .06	- 2.2	2.88	2.69	4.63	1.63	500	.83	1.35	- 38.5	NE	.00	.0	.....	3 mos.	03-85	16.3	- 4.7	.4	NE	.07	NE	16.3	- 4.7	.4	NE	.07	NE
Fast Food Oper O	.88	.06	7.7	0.94	0.81	1.63	.63	137	.23	.61	- 62.3	29.2	.00	.0	.....	fiscal	12-84	2.0	25.0	.0	- 100.0	.00	- 100.0	8.0	31.1	.2	- 33.3	.03	- 50.0
Flakey Jakes M	4.13	- 1.50	- 26.7	5.50	3.50	8.50	3.50	5,442	7.86	2.65	196.6	NE	.00	.0	.....	3 mos.	03-85	5.3	253.3	(.5)	NE	(.07)	NE	5.3	253.3	(.5)	NE	(.07)	NE
Folks Rest O	2.25	.00	.0	3.00	2.25	7.38	2.25	25	.17	.24	- 29.2	NE	.00	.0	.....	3 mos.	03-85	1.7	88.9	(.3)	NC	(.18)	- 100.0	1.7	88.9	(.3)	NC	(.18)	- 100.0
Fresher Cooker O	.38	- .13	- 25.0	0.63	0.38	6.50	.25	232	1.04	1.02	2.0	NE	.00	.0	.....	3 mos.	03-85	.7	- 22.2	(.2)	NE	(.15)	NE	.7	- 22.2	(.2)	NE	(.15)	NE
Frisch's A	23.63	.25	1.1	23.75	22.75	26.00	14.50	94	.21	.20	5.0	20.5	.22	.9	.....	fiscal	05-85	32.2	- .6	1.7	- 10.5	.39	- 7.1	129.0	4.0	5.0	2.0	1.15	3.6
Fuddruckers Inc M	7.88	.25	3.3	8.00	7.25	15.13	6.00	1,753	2.69	3.46	- 22.3	NM	.00	.0	.....	3 mos.	03-85	10.1	146.3	.1	NE	.02	NE	10.1	146.3	.1	NE	.02	NE
Good Taco O	.44	- .06	- 12.5	0.50	0.44	3.13	.25	292	.98	1.28	- 23.4	NE	.00	.0	.....	fiscal	02-85	.1	- 75.0	(.3)	NE	(.07)	NE	1.1	37.5	(1.4)	NE	(.51)	NE
Hambrg Hamlet O	14.50	.00	.0	15.25	14.50	15.25	10.50	19	.26	.56	- 53.6	7.4	.00	.0	.....	fiscal	03-85	9.9	6.5	.3	50.0	.39	30.0	38.6	8.7	1.4	75.0	1.95	68.1
Hungry Tiger M	5.63	.88	18.4	5.63	4.75	6.25	3.63	898	3.09	1.59	94.3	NE	.00	.0	.....	9 mos.	05-85	20.7	- 3.3	(.4)	- 100.0	(.13)	- 100.0	49.6	- 5.3	(.9)	- 100.0	(.29)	- 100.0
Intl Dairy Queen O	60.00	- 5.00	- 7.7	64.00	59.50	65.00	39.00	73	.37	.15	146.7	14.7	.00	.0	.....	6 mos.	05-85	48.4	27.7	3.1	- 90.5	1.54	40.0	75.6	15.1	3.9	- 88.3	1.92	35.2
Intl King Tab M	19.50	- .25	- 1.3	19.75	19.50	24.75	15.25	186	.65	1.99	- 67.3	12.8	.00a	.0		fiscal	06-85	19.0	1.1	1.2	20.0	.41	41.4	80.7	3.2	4.5	18.4	1.52	19.7
JB's Rest M	14.13	.63	4.6	14.13	13.25	15.50	9.09	1,895	4.10	4.93	- 16.8	74.3	.16	1.1		9 mos.	06-85	32.8	47.7	.9	- 10.0	.24	- 14.3	69.5	42.7	1.8	- 5.3	.48	- 9.4
Jerrico Inc M	19.25	- .88	- 4.3	20.25	19.25	21.63	14.25	8,361	5.29	2.73	93.8	13.7	.12	.6	.....	fiscal	06-85	140.6	11.1	7.6	10.1	.48	11.6	518.2	7.0	22.3	9.3	1.41	9.3
Kapok Cp A	3.88	.13	3.3	3.88	3.63	4.38	1.13	119	.49	1.86	- 73.7	4.2	.00	.0	.....	6 mos.	03-85	5.6	- 12.5	(.1)	NE	(.06)	NE	10.8	- .9	3.8	NE	1.61	NE
Karcher Carl M	15.25	- .63	- 3.9	15.75	15.25	29.13	13.50	526	.74	1.99	- 62.8	13.7	.00	.0	.....	3 mos.	04-85	95.5	- 2.7	.8	- 82.2	.11	- 82.8	95.5	- 2.7	.8	- 82.2	.11	- 82.8
Kelly-Johnston O	.31	- .06	- 16.7	0.38	0.31	5.00	.25	400	.47	1.09	- 56.9	NE	.00	.0	.....	6 mos.	09-84	32.0	60.0	(9.8)	- 100.0	.44	193.3	60.3	93.9	(13.5)	- 100.0	.00	- 100.0
Lifestyle Rest A	1.88	.13	7.1	1.88	1.75	3.50	1.63	124	.22	.35	- 37.1	NE	.00	.0	.....	6 mos.	04-85	24.6	- 12.1	(1.7)	NE	(.29)	NE	41.7	- 11.7	(4.2)	NE	(.73)	NE
Luby's Cafe N	33.13	- 1.00	- 2.9	34.38	32.00	37.38	26.38	423	.35	.44	- 20.5	21.4	.60	1.8	.....	9 mos.	05-85	52.5	14.4	5.5	7.8	.45	7.1	144.5	17.5	13.8	12.2	1.14	11.8
Marcus Corp M	17.75	- .75	- 4.1	18.25	17.75	19.13	13.88	67	.13	.31	- 58.1	11.1	.30	1.7		fiscal	05-85	40.9	3.5	2.6	13.0	.50	13.6	131.8	4.0	8.2	10.8	1.60	11.1
Marriott Corp N	94.88	- 1.63	- 1.7	96.38	93.75	100.00	70.00	679	.26	.61	- 57.4	16.6	.54	.6	.....	6 mos.	06-85	1002.3	21.5	43.1	24.2	1.59	24.2	1876.5	19.6	70.8	22.7	2.63	24.6
Maverick Rest M	2.75	- .25	- 8.3	2.88	2.75	6.25	2.25	62	.12	.17	- 29.4	91.7	.00	.0	.....	3 mos.	04-85	3.1	29.2	.0	- 100.0	.00	- 100.0	3.1	29.2	.0	- 100.0	.00	- 100.0
Max & Erma's O	2.63	- .13	- 4.5	3.25	2.63	4.75	2.50	33	.18	.19	- 5.3	NE	.00	.0	.....	6 mos.	04-85	3.8	- 13.6	.0	NE	.02	NE	8.6	- 2.3	.1	NE	.05	NE
McDonald's Cp N	65.25	- .88	- 1.3	66.38	64.50	70.00	43.50	7,783	.91	1.03	- 11.7	14.1	.90	1.4	.....	6 mos.	06-85	955.6	10.5	117.1	7.8	1.35	10.7	1764.2	9.6	201.4	9.7	2.31	11.6
McFaddin Ventures M	11.00	- .25	- 2.2	11.25	11.00	12.25	9.75	218	.45	.70	- 35.7	13.6	.00	.0	.....	6 mos.	05-85	16.6	74.7	1.4	75.0	.30	76.5	29.8	49.0	2.6	62.5	.55	61.8
Morrison Inc M	20.00	- 1.00	- 4.8	20.13	20.00	21.88	15.50	1,404	1.06	1.45	- 26.9	13.1	.48	2.4	.....	fiscal	05-85	126.0	- 1.6	6.5	4.8	.48	6.7	484.3	4.2	20.9	2.0	1.53	4.1
Mr Steak O	1.88	.00	.0	2.00	1.88	3.13	1.13	115	.24	.76	- 68.4	NE	.00	.0	.....	6 mos.	03-85	.9	- 94.8	(.2)	NC	(.05)	NC	14.8	- 54.7	(.1)	NC	(.03)	- 100.0
Nankin Express O	.69	- .19	- 21.4	1.00	0.69	2.38	.63	196	.87	.89	- 2.2	NE	.00	.0	.....	3 mos.	04-85	.3	50.0	(.3)	NE	(.13)	NE	.3	50.0	(.3)	NE	(.13)	NE
Nathans M	3.38	- .50	- 12.9	3.63	3.38	4.50	2.00	79	.35	.43	- 18.6	10.5	.05	1.5	.....	fiscal	03-85	4.5	9.8	(.2)	NE	(.07)	NE	21.7	8.5	.7	75.0	.32	68.4
Natl Pizza M	12.38	.00	.0	12.88	12.38	12.88	7.50	270	.49	.85	- 42.4	16.7	.00	.0	.....	3 mos.	06-85	15.0	48.5	1.4	27.3	.26	18.2	15.0	48.5	1.4	27.3	.26	18.2
Naugles Inc M	5.25	- .25	- 4.5	5.75	5.25	9.75	4.50	1,556	3.43	1.94	76.8	NE	.00	.0	.....	9 mos.	03-85	27.4	11.8	(2.0)	NE	(.44)	NE	93.3	6.5	(1.7)	NE	(.38)	NE
Noble Roman O	7.50	- .25	- 3.2	8.00	7.50	8.50	5.94	23	.19	.46	- 58.7	44.1	.00	.0	.....	3 mos.	03-85	4.7	4.4	(.1)	NC	(.11)	- 100.0	4.7	4.4	(.1)	NC	(.11)	- 100.0
1 Potato 2 O	1.19	.06	5.6	1.50	1.13	7.50	.50	26	.12	.61	- 80.3	NE	.00	.0	.....	3 mos.	04-85	3.5	- 7.9	(.4)	NE	(.17)	NE	3.5	- 7.9	(.4)	NE	(.17)	NE
Old Fashion Fd O	4.50	- .25	- 5.3	5.00	4.50	5.25	4.00	95	.68	.67	1.5	7.1	.00	.0	.....	fiscal	05-85	3.8	11.8	.4	300.0	.29	123.1	14.1	24.8	.9	28.6	.63	10.5
Pancho Mex Buffet M	7.88	- .38	- 4.5	8.13	7.75	8.38	6.00	1,167	3.14	2.75	14.2	14.1	.13	1.7	.....	9 mos.	06-85	9.7	16.9	.6	50.0	.17	6.3	26.1	14.5	1.2	20.0	.37	2.8
Peo Restaurants M	.13	- .06	- 33.3	0.19	0.13	1.63	.13	1,094	1.27	1.81	- 29.8	NE	.00	.0	.....	6 mos.	12-84	5.5	- 69.6	(17.1)	NE	(1.97)	NE	13.8	- 54.0	(20.4)	- 100.0	(2.36)	- 100.0
Piccadilly Caf M	22.25	.00	.0	22.25	21.88	24.25	16.50	516	.85	.88	- 3.4	14.1	.60	2.7	.....	9 mos.	03-85	44.0	2.6	1.3	- 40.9	.21	- 41.7	138.8	8.1	7.0	18.6	1.16	18.4

FINANCIAL NEWS



Stock Market / Financial Update

Company and Market	8-09-85 Close	Weekly Price Change Amt.	Weekly Price Change Pct.	Weekly Price Range High	Weekly Price Range Low	52-Week Range High	52-Week Range Low	Weekly Volume Shares Traded Total	Weekly Volume % Out	12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Pizza Inn A	7.88	- .25	- 3.1	8.00	7.63	12.75	6.88	74	.24	.88	- 72.7	26.3	.08	1.0		3 mos.	03-85	47.7	24.2	.1	- 87.5	.04	- 84.6	47.7	24.2	.1	- 97.5	.04	- 84.6
Po-Folks M	13.25	- .88	- 6.2	13.88	13.00	16.13	8.75	453	1.02	1.22	- 16.4	17.2	.00	.0	—	9 mos.	06-85	39.3	34.1	1.6	23.1	.36	24.1	99.8	31.7	2.4	4.3	.54	3.8
Ponderosa Sys N	11.88	- .38	- 3.1	12.25	11.50	21.00	10.75	710	.74	2.17	- 65.9	26.4	.40	3.4	—	3 mos.	05-85	117.2	- 1.3	.8	- 82.2	.08	- 85.5	117.2	- 1.3	.8	- 82.2	.08	- 85.5
Primo Inc O	2.13	- .13	- 5.6	2.38	2.13	4.63	1.50	146	.43	.79	- 45.6	NE	.00	.0	—	6 mos.	03-85	.8	- 20.0	.1	- 50.0	.01	0	1.2	20.0	.2	0	.07	16.7
RAX Restaurants M	7.50	- .50	- 6.3	7.75	7.25	16.38	7.25	555	.81	.74	9.5	NE	.00	.0		9 mos.	04-85	81.4	23.3	(.1)	- 100.0	(.21)	- 162.5	81.4	23.3	(.1)	- 100.0	(.01)	- 100.0
Rest Assoc A	8.38	- .50	- 5.6	9.00	8.25	9.25	5.38	363	1.29	.76	69.7	19.5	.00	.0	—	3 mos.	03-85	33.2	10.7	(.3)	NC	(.12)	NC	33.2	10.7	(.3)	NC	(.12)	NC
Rest Mgmt M	18.75	- .50	- 2.6	19.25	18.75	20.00	9.00	394	2.48	1.70	45.9	19.7	.09	.5	—	6 mos.	04-85	8.3	25.8	.5	66.7	.24	14.3	18.2	37.9	1.0	42.9	.52	20.9
Rest Systems M	15.38	- .13	- .8	16.00	15.25	16.50	11.75	106	.46	1.03	- 55.3	16.9	.00	.0	—	3 mos.	03-85	10.5	1.0	.5	.0	.23	9.5	10.5	1.0	.5	.0	.23	9.5
Ritzys G D M	2.13	- .13	- 5.6	2.25	2.00	5.75	1.75	413	.80	.87	- 8.0	NE	.00	.0	—	3 mos.	03-85	3.0	7.1	(.7)	NE	(.13)	NE	3.0	7.1	(.7)	NE	(.13)	NE
Rusty Pelican M	16.75	.13	.8	16.75	16.63	18.25	11.00	205	.73	.44	65.9	22.6	.00	.0	—	9 mos.	04-85	13.0	39.8	.6	20.0	.24	- 4.0	34.5	40.2	1.1	0	.42	- 20.8
Ryan's Fam M	17.13	- .88	- 4.9	18.00	17.00	19.25	11.34	181	.26	1.15	- 77.4	28.1	.00	.0	—	6 mos.	06-85	12.4	61.0	1.3	62.5	.18	50.0	22.9	59.0	2.4	50.0	.34	41.7
Saga Corp N	26.13	- .63	- 2.3	27.25	25.50	35.00	24.50	1,894	1.45	1.57	- 7.6	12.0	.52	2.0		fiscal	06-85	324.8	6.2	2.1	- 67.2	.15	- 66.7	1254.8	10.9	29.1	- 6.1	2.18	- 9.2
Sandwich Chef M	8.25	- .38	- 4.3	8.38	8.25	9.00	6.88	27	.21	.71	- 70.4	14.5	.00	.0	—	9 mos.	03-85	7.2	9.1	.2	.0	.13	- 23.5	21.2	12.2	.5	.0	.40	5.3
Sea Galley M	6.63	- .75	- 10.2	7.00	6.50	9.50	6.50	1,567	4.93	2.71	81.9	3.5	.00	.0	—	6 mos.	06-85	15.3	- 7.8	.3	- 81.3	.13	- 68.3	29.9	- 8.3	2.3	- 23.3	.70	- 9.1
Shoney's Inc M	27.50	1.13	4.3	27.75	25.38	31.88	21.94	7,645	2.69	1.24	116.9	23.1	.15	.5	—	6 mos.	04-85	129.6	15.0	8.9	23.6	.31	19.2	279.6	15.4	17.2	25.5	.60	20.0
Shoney's South M	12.00	1.25	11.6	12.13	10.63	16.59	10.00	2,929	5.22	1.84	183.7	11.3	.00	.0	—	3 mos.	03-85	50.3	8.2	.9	- 52.6	.15	- 55.9	50.3	8.2	.9	- 52.6	.15	- 55.9
SIS Cp O	4.25	.00	.0	5.00	4.25	6.00	3.25	72	.46	.31	48.4	NE	.00	.0	—	3 mos.	03-85	2.5	78.6	(.1)	NE	(.09)	NE	2.5	78.6	(.1)	NE	(.09)	NE
Sizzler Rest Intl M	15.75	- .75	- 4.5	16.25	15.25	17.75	9.16	912	.89	.91	- 2.2	16.2	.00	.0	—	fiscal	04-85	42.6	13.0	2.9	16.0	.28	18.7	159.5	11.9	9.9	23.8	.97	24.4
Skippers M	9.50	.13	1.3	9.50	9.25	12.50	9.00	133	.49	1.19	- 58.8	10.3	.06	.6	—	6 mos.	06-85	16.1	11.8	.6	.0	.24	9.1	31.5	13.3	1.1	.0	.41	- 2.4
So Hospitality M	4.63	- .25	- 5.1	4.88	4.63	5.88	4.00	301	.60	2.52	- 76.2	13.2	.00	.0	—	fiscal	05-85	9.4	- 6.9	.7	.0	.15	.0	38.7	8.4	1.7	13.3	.35	6.1
Stuff Yer Face O	.69	- .06	- 8.3	0.75	0.69	1.44	.50	380	.25	.35	- 28.6	NE	.00	.0	—	9 mos.	12-84	.5	.0	(.4)	NC	(.03)	NC	1.5	7.1	(.5)	- 100.0	(.04)	- 100.0
Swensens Inc O	2.13	- .13	- 5.6	2.38	2.13	3.50	1.50	81	.15	.28	- 46.4	NE	.00	.0	—	6 mos.	06-85	3.1	6.9	.0	NC	.01	.0	5.8	9.4	(.3)	NC	(.04)	- 100.0
Taco Villa O	5.75	.00	.0	6.50	5.75	7.75	4.75	136	.35	.21	66.7	19.8	.00	.0	—	3 mos.	03-85	8.8	22.2	.3	.0	.07	- 12.5	8.8	22.2	.3	.0	.07	- 12.5
Taco Viva M	5.13	- .38	- 6.8	5.50	5.13	7.50	4.84	455	1.33	1.24	7.3	15.1	.00	.0	—	9 mos.	02-85	5.5	- 6.8	.3	- 25.0	.10	- 9.1	17.7	8.6	.9	12.5	.27	12.5
TGI Friday's N	10.38	.63	6.4	10.50	9.50	12.38	7.88	1,024	.89	.84	6.0	15.0	.00	.0	—	6 mos.	06-85	80.1	12.5	3.6	5.9	.20	11.1	156.4	14.6	7.0	7.7	.39	11.4
TGIF Texas O	2.00	.00	.0	2.50	2.00	2.38	2.00	5	.03	.09	- 66.7	NE	.00	.0	—	3 mos.	03-85	3.2	23.1	(.2)	NE	(.15)	NE	3.2	23.1	(.2)	NE	(.15)	NE
TCBY Entrprs M	19.63	.00	.0	20.50	18.75	21.50	2.44	862	1.98	3.40	- 41.8	54.5	.00	.0	—	6 mos.	05-85	4.3	207.1	.8	166.7	.19	171.4	6.3	200.0	1.0	233.3	.23	187.5
Transworld N	38.88	1.50	4.0	38.88	35.88	41.13	28.00	5,567	1.57	1.93	- 18.7	12.9	.48	1.2	—	6 mos.	06-85	529.7	5.1	30.9	3.3	.79	- 7.1	1009.5	4.3	47.1	- 4.3	1.19	- 9.8
USACafes M	5.50	.13	2.3	5.63	5.13	6.00	2.75	3,037	4.83	2.63	83.7	15.7	.28	5.1	—	9 mos.	06-85	4.5	15.4	.5	.0	.10	.0	13.9	16.8	1.7	6.3	.26	- 10.3
Vicorp Restaurants M	23.69	- 2.13	- 8.3	25.63	23.00	28.25	13.25	2,527	3.00	3.89	- 22.9	19.7	.12	.5	—	6 mos.	04-85	85.8	61.0	1.4	- 30.0	.17	- 43.3	192.5	121.3	2.8	- 9.7	.34	- 26.1
Victoria Stations M	3.13	.13	4.2	3.13	2.88	6.50	2.13	1,263	2.78	2.23	24.7	NE	.00	.0	—	fiscal	03-85	20.3	- 14.0	(2.2)	NE	(.62)	NE	93.8	- 7.3	(5.9)	NE	(1.67)	NE
Wendys Intl N	17.13	- .38	- 2.1	17.38	16.75	19.13	12.19	8,912	1.21	1.38	- 12.3	17.1	.21	1.2		6 mos.	06-85	290.4	20.8	22.3	15.5	.30	15.4	526.9	18.2	36.8	13.9	.50	13.6
Wstn Steer M	11.13	- .88	- 7.3	12.00	10.50	12.00	9.00	53	.44	.33	33.3	18.2	.20	1.8	—	3 mos.	05-85	11.4	20.0	.3	.0	.27	3.8	11.4	20.0	.3	.0	.27	3.8
Winners Cp N	6.25	.13	2.0	6.38	6.13	11.88	5.13	406	1.01	.86	17.4	NM	.00	.0		6 mos.	06-85	28.0	- .4	.2	- 75.0	.06	- 66.7	51.9	- 1.0	(.4)	- 100.0	(.10)	- 100.0
Hotels, Motels, and Casinos																													
Brock Hotel Cp N	2.50	.00	.0	2.63	2.50	5.13	1.88	709	.50	.84	- 40.5	NE	.10	4.0		6 mos.	06-85	61.9	- 9.4	(13.8)	NE	(.97)	NE	128.7	- 9.0	.1	NE	.01	NE
Hilton Hotels N	60.88	- 3.00	- 4.7	63.63	59.00	73.50	49.38	3,168	1.28	.69	85.5	12.8	1.80	3.0	—	6 mos.	06-85	190.7	40.7	27.5	11.8	1.11	20.7	358.9	19.8	51.0	16.7	2.05	25.8
Holiday Cp N	52.88	- .63	- 1.2	53.75	52.00	58.13	35.25	3,239	1.19	1.30	- 8.5	12.6	1.00	1.9	—	6 mos.	06-85	470.3	3.7	32.2	- 7.2	1.16	23.4	897.5	5.0	65.9	8.6	2.24	37.4
Prime Mtr Inn N	33.00	- 1.63	- 4.7	34.50	31.63	35.13	16.13	1,650	.86	1.05	- 18.1	29.2	.09	.3	—	9 mos.	03-85	53.0	196.1	6.0	46.3	.31	47.6	155.5	208.5	17.3	36.2	.89	34.8
Ramada Inns N	7.63	.25	3.4	7.88	6.88	8.25	5.13	9,588	2.58	2.00	29.0	95.3	.00	.0	—	3 mos.	03-85	137.5	- 4.3	(1.6)	- 100.0	(.04)	- 100.0	137.5	- 4.3	(1.6)	- 100.0	(.04)	- 100.0
Servico Inc O	20.00	.00	.0	20.75	20.00	21.38	13.44	32	.08	.52	- 84.6	13.9	.00a	.0	—	3 mos.	03-85	42.0	- 2.1	.1	- 88.9	.04	- 83.3	42.0	- 2.1	.1	- 88.9	.04	- 83.3
Sonesta Intl O	22.50	.00	.0	25.00	22.50	27.00	18.50	6	.04	.05	- 20.0	7.6	.40	1.8	—	3 mos.	03-85	12.0	- 13.7	(2.1)	NE	(1.85)	NE	12.0	- 13.7	(2.1)	NE	(1.85)	NE
Other Companies with Food-Service Operations																													
Allegheny Bev M	18.63	- .63	- 3.2	19.38	18.25	22.63	15.25	439	.73	1.58	- 53.8	18.4	.40	2.1	—	9 mos.	12-84	NC	NC	(2.3)	- 100.0	(.37)	- 100.0	368.4	35.4	4.7	- 48.9	.75	- 49.3
Ch Full O Nut N	8.00	- .50	- 5.9	8.63	8.00	11.41	7.03	200	.41	.54	- 24.1	NM	.00a	.0	—	9 mos.	04-85	29.9	4.2	.1	- 66.7	.02	- 66.7	87.1	.2	.4	- 60.0	.09	- 57.1
Disney, Walt N	89.13	- 1.50	- 1.7	90.88	88.75	95.00	53.63	5,266	1.59	1.99	- 20.1	50.4	1.20	1.3	—	9 mos.	06-85	546.9	11.2	52.5	15.6	1.56	26.8	1424.9	17.0	119.7	39.7	3.55	48.5
Arden Intl O	2.38	.13	5.6	2.50	2.38	2.75	1.13	191	.81	.65	24.6	NE	.00	.0	—	3 mos.	03-85	3.5	20.7	(.1)	NC	(.04)	NE	3.5	20.7	(.1)	NC	(.04)	NE
Gen Mills N	56.13	- .75	- 1.3	56.88	55.63	64.00	47.75	2,721	.61	1.50	- 59.3	33.2	2.24	4.0	—	9 mos.	02-85	354.8	- 73.6	(74.1)	- 100.0	(1.64)	- 100.0	3300.6	- 22.2	35.6	- 81.5	.79	- 80.6
Grace W R N	43.63	.88	2.0	45.00	42.63	45.00	38.50	8,422	1.74	1.00	74.0	12.6	2.80	6.4	—	6 mos.	06-85	1908.8	9.6	41.4	- 28.0	.83	- 29.7	3488.8	7.7	76.9	- 25.6	1.55	- 26.9
Horn & Hardart A	8.50	.00	.0	8.63	7.88	14.88	7.88	961	.78	1.13	- 31.0	16.3	.00a	.0	—	3 mos.	03-85	82.3	- 4.7	.0	- 100.0	(.01)	- 100.0	82.3	- 4.7	.0	- 100.0	(.01)	- 100.0
Ogden Corp N	32.38	1.25	4.0	33.00	30.88	34.25	24.13	1,019	.54	1.01	- 46.5	15.6	1.80	5.6	—	3 mos.	03-85	578.0	9.3	12.0	2.6	.63	3.3	578.0	9.3	12.0	2.6	.63	3.3
PepsiCo Inc N	57.38	- .50	- .9	58.00	56.38	60.50	39.88	11,590	1.23	1.93	- 36.3	10.4	1.78	3.1		6 mos.	06-85	1880.8	- .3	256.3	174.1	2.68	173.5	3564.4	2.1	319.1	126.8	3.34	125.7
Pillsbury Co N	50.88	- .50	- 1.0	52.00	50.63	56.63	36.63	4,001	.92	.91	1.1	12.1	1.56	3.1	—	fiscal	05-85	1219.4	12.6	47.3	1.3	.89	- 17.6	4670.6	11.9	191.8	13.0	4.22	7.9
Restec O	3.50	- .25	- 6.7	4.00	3.50	4.50	3.50	5	.03	.09	- 66.7	NC	.00	.0	—	3 mos.	03-85	1.1	57.1	(.1)	NC	(.03)	- 100.0	1.1	57.1	(.1)	NC	(.03)	- 100.0
Vie de France M	10.63	.00	.0	10.63	10.50	15.25	8.13	338	.31	1.54	- 79.9	18.0	.23	2.2	—	9 mos.	03-85	18.8	16.8	1.5	- 11.8	.15	- 11.8	48.5	20.3	4.5	9.8	.42	2.4

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

NOTES AND EXPLANATIONS: Market: N—New York Stock Exchange. A—American Stock Exchange. O—NASDAQ Over-The-Counter. M—NASDAQ National Market. **Reporting Period:** 3 mos.—First quarter of fiscal year. 6 mos.—First six months of fiscal year. 9 mos.—First nine months of fiscal year. fiscal—Fiscal year. NEW—New report since last issue. **General Field Footnotes:** NA—Not available or not applicable. NC—Data required for calculation currently incomplete in our files. NE—Negative earnings invalidate calculations. NM—No meaningful figure. a—stock dividend. b—cash plus stock dividend. **The Charts:** The *NRN* Stock Index calculates the per cent change in the market value of food-service operators since Oct. 28, 1983. The *NRN* Stock Index vs. Dow Jones Index calculates the relative performance of the two indexes from their levels of 52 weeks ago.

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For Marriott, an era ends

Pioneer founder dies at age 84

By Peter Romeo

WASHINGTON — With the death of J. Willard ("Bill") Marriott Sr. at age 84, the $3.4 billion hospitality company that bears his name is without its founder, guiding force and preeminent sage for the first time since it began as an A&W franchisee in 1927.

Although Marriott stepped back from Marriott Corp.'s day-to-day operations in 1964, handing the reins to his son Bill Jr., executives of the company said the elder Marriott's influence at the time of his death went beyond serving as the conglomerate's chairman of the board.

Marriott, for instance, mistrusted franchising the company's diverse restaurant and hotel brands because he feared a loss of quality control.

The company's newest endeavor,

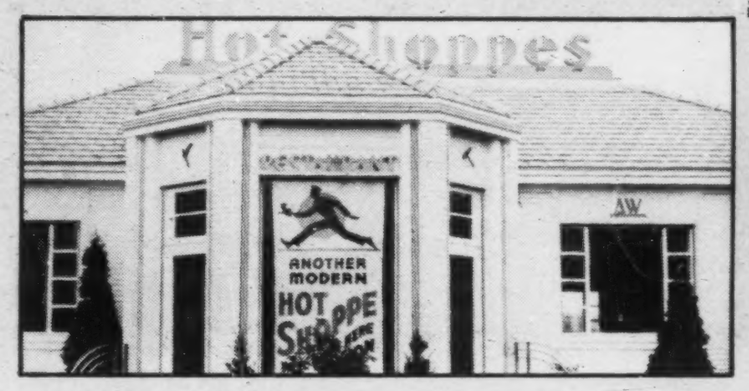
*(See **MARRIOTT**, page 43)*

THE EMPIRE THAT MARRIOTT BUILT

(Marriott Corp. at a Glance; Projections for Current Fiscal Year)

Business	No. of Units (Chainwide)	Food-Service Sales Per Unit (In Millions)	Systemwide Food-Service Sales (In Millions)
Contract Feeding	1,400	$1.10	$1,550.0
Restaurants			
Big Boy	1,018	1.20	1,210.0
Roy Rogers	575	0.85	545.0
Hotels	143	5.20	744.0
Total			$3,392.0

Source: *NRN* research



J. Willard Marriott, above, took a single Hot Shoppe outlet and built it into a $3.4 billion restaurant, hotel and contract-feeding conglomerate.

FDA bows to pressure over sulfites

Agency proposes ban on six preservatives

By Paul Frumkin

The Food and Drug Administration has proposed a ban on the use of six sulfite preservatives in fresh fruits and vegetables, bowing to pressure from Congress, the food-service industry and consumer groups.

The proposal, which applies to both restaurants and food markets, will be reviewed again early next month.

If the ban is implemented, restaurateurs—many of whom have already discontinued the use of sulfites in their own operations—will be guaranteed that suppliers have not added the preservative to fresh produce.

*(See **FDA**, page 4)*

Wendy's-K mart test may lead to franchising deal

By David Zuckerman

DUBLIN, Ohio—Stepping up development of nontraditional sites, Wendy's has reached agreement with Troy, Mich.-based K mart—the world's second leading retailer behind Sears—to open a fast-food hamburger unit inside K mart's Canton, Mich., department store, according to sources at both companies.

The move follows in-store feeding trials by such chains as Burger King (with New York City-based Woolworth's), Hardee's (with Alexandria, Va.-based Peoples Drug Stores) and Roy Rogers (with York, Pa.-based McCrory Stores).

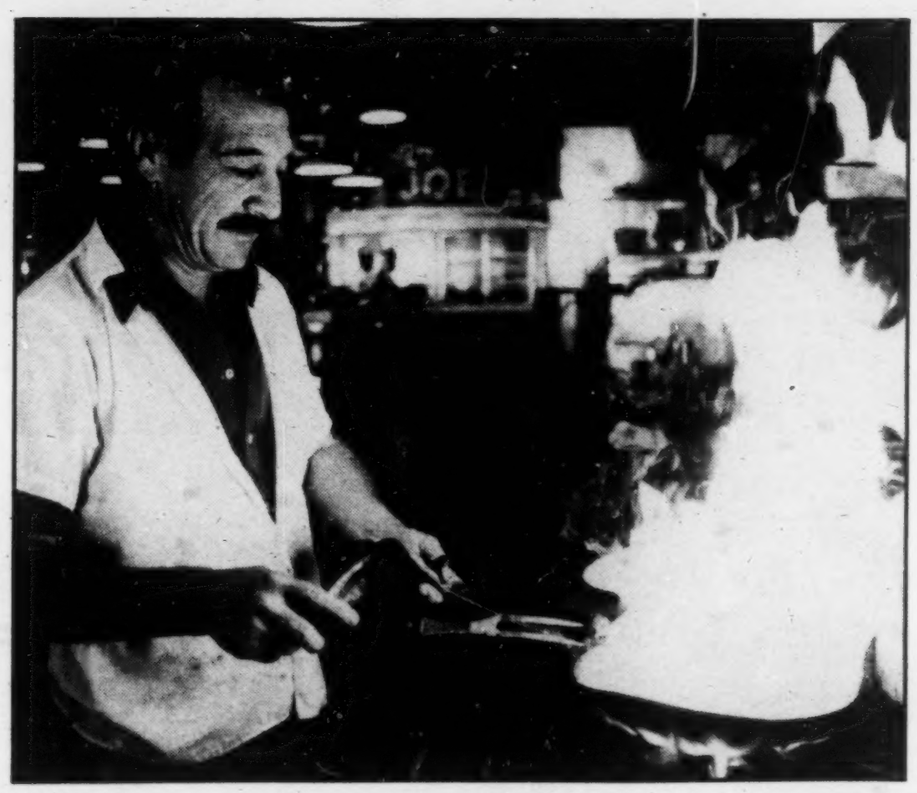
But unlike those previous deals, in which the retailers have become franchisees of the fast-food companies, Wendy's will lease a 1,800-sq.-ft. space inside the K mart store and operate the restaurant itself. Wendy's will also be responsible for all construction costs, an estimated $200,000.

"The nature of this deal is that Wendy's is the tenant and K mart the landlord," said Denny Lynch, Wendy's vice president of corporate communications. "There's no question that everybody is looking for special sites these days, and in our search we seek three basic criteria: where people work, where people live and where they play. The K mart site will fulfill all three."

In recent months Wendy's has expanded its horizons by opening units at the Columbus Zoo—the first fast-food restaurant inside a U.S. zoo, ac-

*(See **WENDY'S**, page 43)*

Wendy's will lease space inside K mart's Canton, Mich., store and operate the restaurant itself.



Little Joe's owner Franco Montarello Sr. at the burners.

Little Joe's setting sales afire

Big portions, small checks build $2.5M annual volume

By Alan Liddle

SAN FRANCISCO — Olive oil cascades from imported tins into a line of skillets. Generous quantities of wine usually follow. And then the fireworks begin as the gas-fueled flames from five banks of burners climb the sides of the pans, momentarily form a halo over the sautéeing meats and vegetables and then explode skyward.

Disaster? No. Just part of the show at Little Joe's, a 120-seat Italian restaurant nestled between two strip joints on Broadway in this city's North Beach area. The only thing louder than the sizzling skillets is the multiethnic chatter of the numerous line cooks.

A part of this city's dining scene since the 1920's, Little Joe's and Baby Joe's—the name given the dining room that was added in the 1970's—have been owned by Franco Montarello for 15 years. His son, Franco Jr., is a part owner.

Montarello Sr., a 52-year-old immigrant from Genoa, Italy, said his no-frills establishment, which averages 1,000 customers a day, generates about $2.5 million in sales annually.

Big portions, relatively small checks (the per-person average is $6 at lunch and $10 to $12 at dinner), friendly waitresses clad in T-shirts proclaiming, "Rain or shine, there's always a line" and the entertaining cooks combine to attract a broad base of customers. Strippers and judges often sit in close proximity in the dining room or wait side by side for one of the dozen much-sought-after counter stools in front of the cooks' stations.

Nearly all dishes are sautéed in the one-skillet "Joe" style, so named after a restaurateur

*(See **LITTLE JOE'S**, page 43)*

Mrs. Winner's tests new image at one of its units

By Mark Schoifet

NASHVILLE — Mrs. Winner's, stung by a decline in comparable sales this year, has launched a one-unit pilot program featuring revamped seating, a self-serve fountain section, a video camera to improve drive-thru service and a simplified menu board.

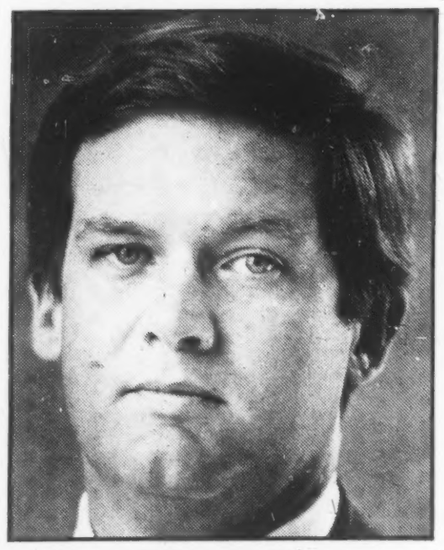
The 68-seat restaurant, located along Interstate 65 North here, is called Mrs. Winner's Family Restaurant instead of Mrs. Winner's Chicken & Biscuits. The 193-unit chain is testing the new name in an attempt to "broaden the image of the concept," according to president M. V. "Buck" Hussung.

The pilot program comes at a time when Mrs. Winner's may see some light at the end of its tunnel of financial woes. After a year of sales declines from the comparable year-earlier quarters, the chain is beginning to show gains, Hussung said.

In addition, August sales are up 15% to 20% over those of last month, and a new baked chicken breast is racking up 30% of unit sales.

For the second quarter ended June 30, Winners Corp., parent of Mrs. Winner's, posted a 72% drop in net profit, to $222,000, as revenue declined slightly to $28.3 million. In the first quarter, Winners Corp. reported a $633,000 loss.

Hussung emphasized that the pilot program is not a reaction to the chain's recent earnings slide, but rather a part of Mrs. Winner's 18-month operating plan, which was launched last year and designed in part to create more innovative customer service programs.



M. V. "Buck" Hussung
President, Mrs. Winner's

"We're still dealing with long-term issues," Hussung said, "and we're not getting ourselves caught up in this quarterly earnings thing by sacrificing future growth."

Among the programs under study at the test unit are the following:

- A revamped interior arrangement that features irregular seat patterns and, for the first time, booth and bench seating. "There's a little more elbow room," Hussing said. That test stands a high chance of being rolled out systemwide, he added.

Other features in the interior test include a self-service fountain drink section, a repositioned cash register that allows the employee behind it to greet customers entering the restaurant and a simplified menu board. It lists the higher ticket items at the top in an effort to boost check averages as well as prices for several combination meals, Hussung said.

- Improved drive-thru service that employs an outdoor remote video camera and an improved audio system. "They [servers] can immediately see if there are other people in the car or if there are any children in there," Hussung said. Other drive-thru features include a raised platform so cars are at an even level with the cashier and a glass window that allows drivers to view the kitchen employees.

"They're all subtle changes," Hussung said, "but it's the little things that add up in this business. It's not always the major things."

Winners Corp. operates or franchises 193 Mrs. Winner's units in 17 states.

Food-service sales soften in July

U.S. Commerce Department reports rise of only 4.9%

By Rick Telberg

WASHINGTON — Sales at the nation's eating and drinking places weakened further in July, rising a lame 4.9% from the year-ago level, to $11.6 billion, the U.S. Commerce Department said in its earliest and broadest gauge of retail trade.

The feeblest showing in five months was another signal of a troubled economy, said analysts, who also suggested the figure could be revised upward in coming months.

"It confirms the general sluggishness in traffic counts," said Joseph Doyle, who monitors the restaurant industry for Smith Barney, Harris Upham & Co. in New York. "If the economy doesn't bounce back, there's no reason why the recent trends should change."

In addition, the government slashed its earlier estimates for May and June. June sales grew at a revised rate of 6.3%, down from the month-earlier estimate of 7.8%. And May's second revision was reduced to 7.8%, down from a 9.7% estimate.

"The revisions make the picture altogether gloomier," said Sandra Shaber, director of consumer economics at Chase Econometrics in Bala Cynwyd, Pa.

"It is clear that consumers have very real concern about the future of the economy," Shaber said, citing a slack job market and slowed growth in consumer incomes. But she said a recession this year was unlikely.

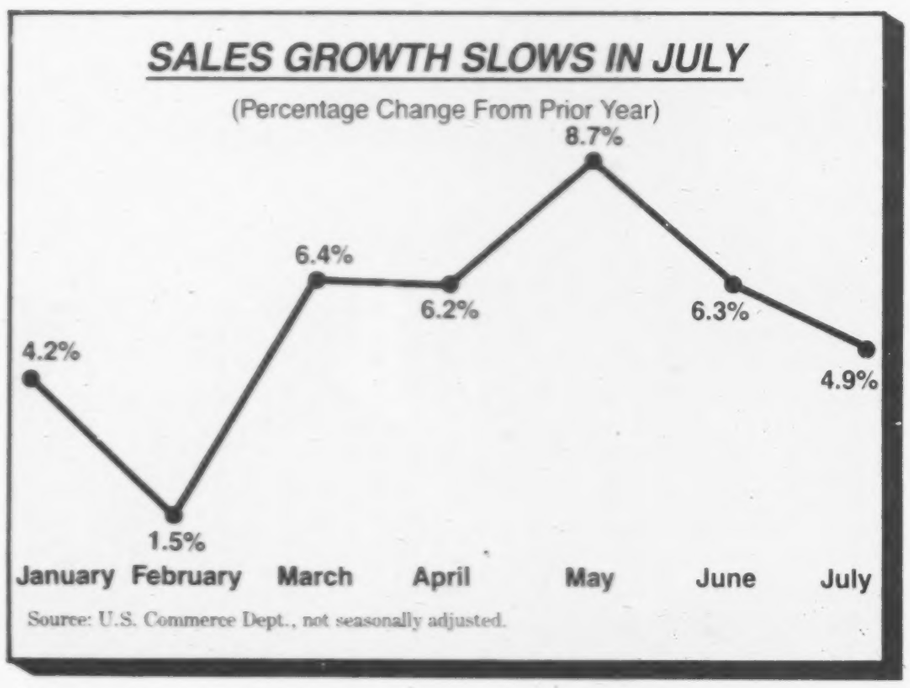
Bette Hoyt, research manager at the National Restaurant Association in Washington, said the July estimate was too pessimistic.

"Vacation travel has been strong this summer," Hoyt said. "And that's generally good for restaurants."

July was the food-service industry's feeblest monthly performance since February's winter-struck 1.5% year-to-year growth rate, according to the Commerce Department's Advance Monthly Retail Trade report issued by the Census Bureau.

The figures are not adjusted for seasonal differences or for inflation. The Labor Department has said menu-price inflation rose at an annual rate of 4.1% in June, up from a 3.8% rate in May after holding steady at 3.9% since January.

Adjusted for seasonal differences, eating and drinking place sales fell eight-tenths of a per cent from June to July.



NRA president Ted Balestreri, at podium, is joined by CRA president W. W. "Biff" Naylor during the opening ceremony.

Leaders assail meal cap at California convention

By Richard Martin

LOS ANGELES — Industry leaders used the California Restaurant Association's annual Western Restaurant Convention here as a platform to reaffirm their "no compromise" opposition to the Treasury Department's proposed $25 business-meal deduction cap, part of tax legislation awaiting revision next month in Congress.

But the veteran political analyst whose keynote address opened the convention politely undermined his host's position by ridiculing the concept of a deficit-strapped federal government subsidizing domestic industry.

National Restaurant Association president Ted Balestreri, slamming the meal-deduction cap, equated entertainment in restaurants with other forms of business expense, such as marketing and office decoration. "Should we have a national cap on how much you can spend on a telephone or a typewriter?" Balestreri asked a small seminar audience, while a record crowd munched and shopped in the convention's exhibit halls.

NRA executive vice president Bill Fisher said the organization would not propose any alternatives that would raise the controversial cap, which, as currently drafted, would restrict the tax deductibility of each business-entertainment meal to $25 per person plus 50% of the rest of the check, including tax and tip.

"It's not a question of price; it's a question of concept," Fisher stressed, amplifying Balestreri's assertions that the cap would pave the way for further governmental interference with business and would cause the loss of 530,000 hospitality jobs and $6 billion in tax revenue.

Balestreri, last year's CRA president and this year's convention chairman, warmed up for his seminar remarks by enduring a sermon on special interest groups and the federal deficit, delivered to a near-capacity audience by keynote speaker James J. Kilpatrick at the show's opening ceremonies.

Kilpatrick, the nation's most widely syndicated political columnist, satirized the interactions of Congress and lobbyists over the proposed elimination of various subsidies. Invariably, Kilpatrick remarked, Congress had relented on cuts to such entities as the Small Business Administration, Amtrak and grand opera.

*(See **SHOW**, page 43)*

KFC, 7-Eleven switch to Coke Classic

ATLANTA — Kentucky Fried Chicken and 7-Eleven are switching to Coke Classic, but most of the Coca-Cola Co.'s larger fountain customers are apparently sticking to the new, reformulated version of the soft drink.

Coca-Cola is advising its fountain clients to keep the new Coke, rather than switch to Coke Classic, the old formula marketed under a new name. The soft drink giant generates about one-third of its Coke sales through food-service fountains.

Several chain executives said consumer response to the Coke-Coke Classic controversy has been minimal.

"It hasn't been nearly as significant as the great debate that went on in the press," said John Merritt, spokesman for the 3,360-unit Hardee's chain.

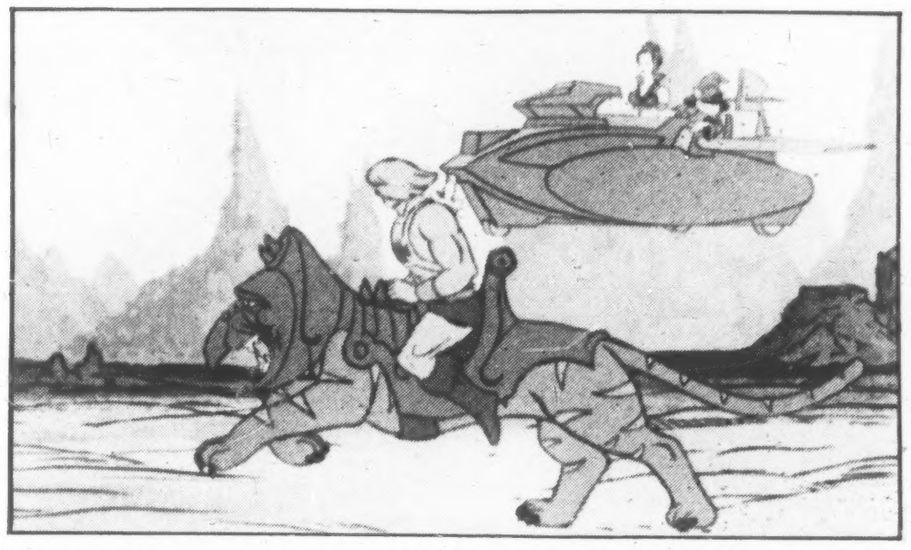
Hardee's, McDonald's, Church's, Red Lobster, Roy Rogers and Rax have made no plans to drop the new Coke in favor of Coke Classic, which was rolled out in July to placate consumers riled by the drink's April reformulation. McDonald's is the largest retail user of Coke in the world. Earlier this year, the burger chain declined to roll out new Cherry Coke, which was seen by many as a blow to Coca-Cola.

KFC is dumping new Coke at its 1,200 company-owned units in favor of the old brand because "it's more appropriate with our Original Recipe chicken," according to spokesman Billie Brown. Franchisees can select their own brands.

The 7-Eleven chain, which sells Coke in a majority of its 7,500 convenience stores, is also rolling out Coke Classic in response to "preferences expressed by customers," a spokesman said. "It's going to be six weeks to two months before Coke Classic is available at the fountain heads," the spokesman said.

On July 10, Coca-Cola shocked the marketing world when it yielded to public pressure and brought back the original Coke formula it had scrapped three months earlier.

Burger King offers children's value pack



Frame from animated He-Man commercial created by J. Walter Thompson to promote Burger King's Meal Pack.

MIAMI — Burger King, following the lead of McDonald's, has countered the burger giant with a "value pack" of its own in a joint promotion with Pepsi and Mattel Toys.

Clearly designed to appeal to children, the promotion is being bolstered by a $20 million series of animated television commercials. Burger King's ad agency, J. Walter Thompson in New York, created two 30-second spots for the promotion: one geared toward children and the other at parents.

Burger King's "Meal Pack" contains a 17-oz. cup featuring He-Man and other Mattel characters, along with a regular hamburger or cheeseburger, french fries and a small soft drink. Each pack sells for an average of $2, depending on the franchise, and contains a rebate coupon for a He-Man toy.

The promo, which runs through Sept. 8, was created by August, Bishop and Meier of Chicago.

McDonald's heavily advertised Value Pack, introduced in July, combines heftier portions of Chicken McNuggets, fries and a soda at a 50¢ discount.

Cod portion prices up; beef supply still stable

***NRN* Special Report**

Although operators have not felt a pinch yet, imported cod blocks and slabs (the raw material from which portions are formed) are in thin supply, and the prices have been rising for the past two months. Processors had a good supply of finished portions on hand during the Newfoundland trawlermen's strike last winter, and they expected imports to increase after March. Prices remained fairly stable until early July.

Commodities

But in the months following the strike, supplies from Canada and other countries, such as Norway and Iceland, continued to lag demand and have fallen even further this summer. As a result, processors' supplies of finished product are running low, so increased demand for blocks and slabs may trigger further price rises unless imports grow. Expect rises in raw material to be passed on to operators in terms of higher portion costs unless block prices drop in the next few weeks.

Cod fillets have stayed stable in price, however, with 5 lb. packages of Canadian fillets at $1.05 for bone-in and for boneless $1.20 a pound as received by importers in Boston. Canadian haddock fillets moved up in price and are now about 10¢ to 15¢ a pound higher than they were a year ago. They are running at about $1.75 to $1.80 a pound, up a nickel from prices at the beginning of summer, with Icelandic fillets at $1.90 and Icelandic product $1.90 to $2.00 a pound.

Ocean perch, too, seems in short supply, although prices have stayed fairly stable this year at $1.05-$1.10 a pound for Canadian bone-in. Some operators have been switching to pollock, which has been in strong supply.

The continuing strong demand for catfish, fueled by plans of fast feeders to serve the fish throughout the country, has pushed prices up to $1.71 a pound, about 5¢ higher than they were last year, even though production jumped 44% since 1984. Expect further increases in output—and higher prices—by next year.

Most of the agricultural economists are convinced that the large supplies of full-weight cattle in feedlots, combined with the slow summer season for beef—and the steady, slow drop in consumer demand for red meats—will push the expected increase in prices up to the first quarter of 1986.

The U.S. Department of Agriculture surveyed producers and feeders in July and discovered that there were almost as many feeder cattle in the lots as there were last year at the same time. And that was in the face of a 5% to 8% drop-off in consumer demand. Those larger potential supplies have been holding a low-priced cap on the cost of freshly slaughtered beef, although slaughterhouse prices have not been fully passed on to the end user.

PRICE MOVEMENT AT A GLANCE

	Aug. 12, 1984	July 12, 1985	Aug. 12, 1985
Beef, Choice, 700-900 lb., Midwest (lb.)	$0.98	$0.86	$0.80
Broilers, Grade A dressed, icepack, NYC (lb.)	$0.5434	$0.5567	$0.5174
Cod, frozen, block & slab, imported Boston (lb.)	$0.96-$1	$1.04-$1.06	$1.06-$1.08
Coffee, green beans, Brazilian, NYC (lb.)	$1.44	$1.34	$1.32
Eggs, Grade A, large white, Chicago (doz.)	$0.67	$0.56-$0.59	$0.63-$0.66
Hams, canned, Polish, 11 lb., NYC (lb.)	$1.84	$1.53	$1.59
Lettuce, iceberg, No. 1, Calif. (24s)	$8-$9	$6-$8	$8-$10
Orange juice, frozen conc., Fla., (12/32 oz.)	$25.60	$27.20	$25.60
Pepper, black, NYC (lb.)	$1.02	$1.95	$1.80
Pork loins, No. 1, 14-17 lb., Midwest (lb.)	$1.02	$1.09	$1

Source: *NRN* research

Prices listed are packers' f.o.b. plant, unless specified, and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

FDA bows to pressure, bans six sulfite preservatives

(Continued from page 1)

The FDA said it moved to ban the sulfite preservatives after receiving findings that documented numerous "alleged" adverse reactions to the chemical since 1983—including 13 deaths associated with sulfite treatments.

However, James Maryanski, a consumer safety officer with the FDA, was unable to determine when—and perhaps even if—the proposal would be put into effect. "First, we have to review the comments we receive on it," Maryanski explained. "There could be new information made available to change the original decision."

But even if no comments were received, "there would still be some administrative time needed to produce the final regulation," he added.

And despite recommendations from members of Congress and the National Restaurant Association, the current proposal does not address the use of sulfites in frozen precut potatoes. Other packaged foods, such as lemon juice, maraschino cherries, grape juice, various canned soups and dried fruits and vegetables would also remain unaffected.

Nevertheless, the NRA is "delighted" with the FDA's action, said spokesman Anne Papa. "Back in February of 1983, we urged our members to stop using sulfites," she said. "But we also recognized at that time that the real solution had to be legislative."

Richard Cristol, deputy director of the Food Additives Council in Atlanta, argued, however, that the proposed ban would have only a marginal effect on the food-service industry. "In essence, it's really a moot action," he said. "The vast majority of restaurateurs have already discontinued the use of sulfites."

Papa pointed out, though, that while food-service operators could easily control the use of sulfites in their own restaurants, "our members had no way of knowing what was going into the food at the suppliers' end." As a result, they may have unwittingly been serving foods already treated with the preservatives.

But for their part, many operators had ceased to use sulfites as fresheners as early as 1983. According to Lisa Zeigler, a spokesman for Burger King, the chain had begun to stop the use of sulfites in all of its products two years ago. "We don't use any preservatives," she said. "Our salad bars contain only fresh products."

The reaction was similar at Roy Rogers. Spokesman Mary Macguire said sulfite use throughout the chain was discontinued more than a year ago.

Correction

Due to a mechanical error, a chart on Page F3 of the Aug. 12 issue labeled "*NRN* Top 100 Gain Market Share" transposed the labels "Top 100 Companies" and "Top 100 Chains." Top 100 Chains have a 44.2% share of the total commercial food-service market this year, and Top 100 Companies have 29.2%.

In addition, two pizza chains, Pizza Inn and Godfather's, were inadvertently listed on the chart of top chicken chains on Page F21 of the same issue.

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Manager, Editor **Ken Rankin**
Correspondent **C. Diane Hatcher**

Japan Diamond-Friedman Ltd., Chain Store Age News Japan 1-4-2 Kasumigaseki, Chiyoda-ku, Tokyo, Japan, 504-6750

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Kitchen Design generic supplement appears between pages F4-F5.

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